

City of Sunnyvale

Sunnyvale, California

Recommendations to Management

For the year ended June 30, 2004

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Recommendations to Management
For the year ended June 30, 2004

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October 21, 2004

To the Honorable Mayor and Members of City Council
of the City of Sunnyvale
Sunnyvale, California

In planning and performing our audit of the general purpose financial statements of the City of Sunnyvale (City) for the year ended June 30, 2004, we considered the City's internal control to plan our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on internal control.

However, during our audit, we noted certain matters involving internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated October 21, 2004, on the financial statements of the City. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with management, are intended to improve internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

We would like to express our appreciation to the City's staff for their cooperation, assistance, and support during this year's audit process.

This report is intended solely for the information and use of the City Council, management and others within the City.

Caporicci & Larson

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There were no recommendations to management comment this year.

City of Sunnyvale
Status of Prior Year's Recommendations to Management
For the year ended June 30, 2004

MISCELLANEOUS DEPOSITS

Observation

The City was not able to provide supporting documentation for 34% for the miscellaneous deposits under \$10,000 and 42% for the miscellaneous deposits over \$10,000.

Recommendation

The City should have supporting documentation for all miscellaneous deposits.

Status

In Progress.

DELAYS IN PROCESSING AND RECORDING OF CASH RECEIPTS

Observation

During September 2001, the City experienced delays of up to 10 business days between the date the cash was received by the City and the date recorded in the general ledger. In May 2002, the delay in processing and recording the cash receipts had been reduced.

Recommendation

The City should continue to evaluate the processing and recording of cash receipts. The delay between receiving cash and recording to the general ledger should not exceed more than 2-5 business days.

Status

Implemented.